



## Press Release

### IQRA Microfinance Federation (IMF)

**December 23, 2024**

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities – Proposed Term Loan	3.00	IVR B-/Negative; ISSUER NOT COOPERATING* (IVR B Minus with Negative Outlook; ISSUER NOT COOPERATING)	IVR B/Negative; ISSUER NOT COOPERATING* (IVR B with Negative Outlook; ISSUER NOT COOPERATING)	Downgraded and continued under ISSUER NOT COOPERATING Category	<a href="#">Simple</a>
<b>Total</b>	<b>Rs. 3.00 (INR Three Crore only)</b>				

*\*Issuer did not cooperate; based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics has downgraded the ratings of IMF and continued under 'Issuer Not Cooperating' category due to lack of adequate information, non-payment of annual surveillance fees and the uncertainty around its credit risks. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated 25 September 2024, 18 November 2024, 29 November 2024 and 11 December 2024 concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.



## Press Release

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating for the proposed bank facilities aggregating to Rs. 3.00 crore has been downgraded to IVR B-/Negative and continued under ISSUER NOT COOPERATING category by Infomerics.

### Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector\)](#)

[Policy on issuer not cooperating](#)

### About the Company

IQRA Microfinance Federation (IQRA) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI) incorporated on March 16, 2017, under Section 8 of Companies Act 2013. IQRA has a social vision and business orientation aims to provide underprivileged women with economic opportunities to transform the quality of their lives. IQRA is presently working only around Varanasi, UP with a single branch. Currently, the operations of the company are managed by Mr. C M Ojha (Director) along with other director Mr. Shambhu Saran Srivastava and a team of experienced personnel.

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2020 Audited	31-03-2021 Provisional
Total operating Income	0.56	0.39
PAT	0.16	0.04
Tangible Net Worth	2.81	2.91
Total AUM	3.13	3.41
<b>Ratios</b>		
NIM (%)	19.97	3.51
ROTA (%)	5.98	1.19
Interest Coverage (times)	2.01	1.20



## Press Release

Total CRAR (%)	86.29%	79.79%
Gross NPA (%)	Nil	Nil
Net NPA (%)	Nil	Nil

*\*Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Not Applicable**

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022
					November 14, 2023	January 09, 2023	October 20, 2021
1.	Long Term Bank Facilities-Proposed Term Loans	Long Term	3.00	IVR B-/Negative; ISSUER NOT COOPERATING*	IVR B-/Negative; ISSUER NOT COOPERATING*	IVR B+; ISSUER NOT COOPERATING*	IVR BB-/Stable

*\*Issuer did not cooperate; based on best available information*

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



## Press Release

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Proposed Term loan	-	-	-	-	3.00	-	IVR B-/Negative; Issuer Not Cooperating*

\* Issuer did not cooperate; based on best available information

### Annexure 2: Facility wise lender details: Not Applicable



## Press Release

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Available**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

